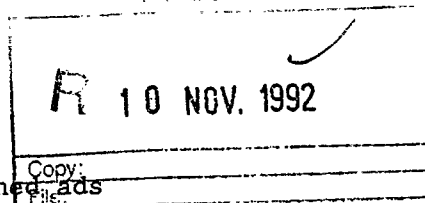


From: PMARRON --VCH0021A
To: MREARDON--VCH0021A Michael Reardon

Date and time 09.11.92 11:28:32

From: Bisharah G. Baroudi
To: Mr. Michael J. Reardon
Subject: Trademark Ad Campaign



I refer to our discussions relating to the mentioned ads and its extension to the Middle East/GCC Area.

Repeated calls by anti-smoking activists and health officials in the GCC have persistently cited the [illegal] use of cigarette trademarks on toys, trinkets and other products targeted to children as inducements to children to start smoking. In so doing, they have constantly blamed cigarette manufacturers, and falsely so, for making such products available in the GCC markets.

Government officials has so far failed to make the distinction between branded premiums offered by manufacturers in connection with cigarette sales/promotions and children's products that infringe and violate manufacturers cigarette trademarks. Moreover, these officials have continued to view banded gifts, promotional premiums and other promotional materials as inducements for increased cigarette consumption among existing smokers. These misconceptions were the basis for the ban on [the importation and sale of] cigarette premiums imposed last year in Oman, as well as similar bans currently in place in Saudi Arabia, Qatar and Bahrain.

In view of the above, I strongly recommend the extension of the EEC trademark warning ad campaign to selected trade publications in the GCC. The value of extending this campaign not only provides for adequate warning for clear purposes of trademark protection, which I understand would be followed by legal action against violators, or importers of the infringing products, but it also provides an effective response to claims made against PM and other manufacturers, each with respect to their own brands, as being responsible for the availability of toys carrying cigarette trademarks in the GCC markets.

While one would not normally expect to see cigarette trademark violations on toys, clothing and trinkets in countries where a ban has been adopted on the importation of tobacco companies' premiums/give-aways carrying cigarette trademarks, it comes as no surprise that violators of such trademarks continue to sneak in their infringing products. In Qatar, for example, where the importation of branded premiums is banned, shorts, socks, transistor radios and key-holders with the anti-smoking voice message, all carrying the Marlboro trademark or other cigarette trademark or look-alike, have been found on the market. The importers of such products are normally very small traders who source them from China, Hong Kong, Taiwan and other Far Eastern suppliers.

I therefore recommend that the EEC trademark warning ad

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campaign should extend to include insertions in GCC Chamber of Commerce magazines, where these exist. The warning ads (an Arabic version of which has already been prepared) would run in conjunction with, or shortly after, our planned joint tour in the GCC markets to discuss these continued violations with the respective trademarks superintendents, possibly health officials and customs officials, and to consult with local counsel on possible legal action that can be initiated against violators.

While field management continue their search and identification of infringing products and their importers, distributors and sources, Intermarkets/Burson Marsteller in Dubai (our Corporate Communications consultants for the GCC) have identified suitable media for the warning ads, though not in all the GCC markets. In the UAE, the Chambers of Commerce of the three largest emirates, Abu Dhabi, Dubai and Sharjah, publish monthly magazines, the same applies to the three leading Chambers in Saudi Arabia, namely those in Riyadh, Jeddah and Dammam, and in Bahrain. The Kuwait, Oman and Qatar Chambers have no publications. However, in these markets, I propose that we run the ads in the daily papers with widest circulation.

On a related subject, namely your planned visit to the GCC in connection with trademark violations, I would like to propose the following schedule :

- Nov. 20 Arrive Dubai
- Nov. 21 Meet with Clifford Chance, Mr. Walid El-Solh, Mr. Bassam Tamimi Update on the status of the Federal Trademarks Law, expected Implementing Procedures Decree.
- Nov. 22 Travel to Qatar (early morning flight)
Meet with Mr. Gebran Majdalany and Mrs. Adrian McCartney
Meet with Sheikh Hamad Bin Faysal Al-Thani, Customs Director
Meet with Mr. Zaki Abdul Maaboud, Trademarks Registrar
Evening flight to Bahrain
- Nov. 23 In Bahrain
Meet with Trademarks Superintendent, Mr. Muhammad Al-Shaer
Meet with Mr. Khalil Al-Mutawa, Customs Director
Meet with Sheikh Isa's staff, Mr. Krishna Vasdev
Travel to Kuwait
- Nov. 24 In Kuwait
Meet with Mr. Ibrahim Ghanem, Customs Director
Meet with the Trademark Superintendent
Meet with Mr. Ali Radwan
Travel to Oman
- Nov. 25 In Oman
Meet with Trowers and Hamlin
Meet with Major Youssef Sanjoor, Customs

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Director
Meet with Trademarks Superintendent

I will be glad to discuss the above with you and to make any adjustments in the proposed tour schedule.

Kind regards,
Bisharah G. Baroudi

cc: GNASSIF --VCH0021A George Nassif
AREIMAN --VCH0021A Andre Reiman

HSCHEDL--VCH0021A Harald Schedel

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